

**ORDER 2008-65
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
08-BC-02**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

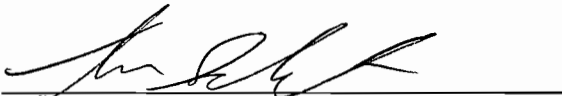
IT IS SO ORDERED THIS THE 28th DAY OF MAY, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
BLUE CHIP CASINO, LLC)	08-BC-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Blue Chip Casino, LLC (“Blue Chip”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 14-4-2 (c) states the primary set of value or non-value chips shall be removed from play if one of the following occurs:
 - (1) The riverboat licensee determines that the riverboat gambling operation is receiving a significant number of counterfeit chips.
 - (2) The riverboat licensee discovers any impropriety or defect in the utilization of the primary set of chips that necessitates the removal of the primary chips.
 - (3) The executive director of the commission deems removal of the primary chips necessary to ensure compliance with the Act and this title.

2. 68 IAC 14-4-3 (d) states if a primary set of chips is removed from active play, the riverboat licensee shall immediately notify the enforcement agent. The riverboat licensee shall file a written report with the executive director within two business days setting forth the following:
 - (1) The date and time primary chips were removed from active play.
 - (2) The reason necessitating the removal of the primary chips from active play
 - (3) Any other information deemed necessary by the executive director or the riverboat licensee to ensure compliance with the Act and this title.

3. On October 13, 2007, an attempted scam with green “non-value” chips took place at a Roulette table. Sixty green “non-value” chips went missing. As a result, the Director of Table Games removed all of the remaining green chips from the table. The Gaming Agents were not informed of the removal of the chips. It was discovered when the Gaming Agents went to conduct their own inventory of the remaining green “non-value” chips.

4. The Compliance Manager was contacted to identify if the IGC in Indianapolis had been notified of the removal of the chips. The Compliance Manager stated that the Surveillance Incident Report had been sent to Indianapolis and that she had left a voicemail for the Director of Compliance but no date was given. A letter was sent to the IGC Director of Compliance thirteen days after the incident. The Compliance Manager indicated that there was a misinterpretation of the regulations as to why they exceeded the two day notification rule.

COUNT II

5. 68 IAC 11-7-3 (a) requires the riverboat licensee shall maintain a sensitive keys log on a form approved by the commission. The sensitive keys log shall include, but not limited to, the following: (1) The date, (2) The time the key is signed in and out, (3) The key name, (4) The printed name, signature and occupational license number of the occupational licensee obtaining and returning the key.
6. 68 IAC 11-7-3 (b) requires sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is some documented change of shift.
7. On November 16, 2007, twelve keys were obtained for the drop and count process. At the completion of the process, the Count Room Manager was on her way to return the keys to the Keywatch box when she was notified that she had a phone call. The Count Room Manager stepped into her office to take the phone call, and subsequently left the keys in her office when she left the property for the day. The keys remained in the Count Room Manager's office from 12:00 to 17:50 and were untouched. The Count Room Manager received a written warning for this incident.
8. On December 3, 2007, twelve keys were obtained for the drop and count process. At the completion of the process, the Count Room Supervisor was on her way to return the keys to the Keywatch box when a Soft Count Team Member requested a meeting with her. She placed the keys in a bowl on her desk and left them there when she left for the day. The keys remained in the office from 11:00 to 15:33 when they were discovered and found to be untouched. The Count Room Supervisor received a written warning and proper procedures for returning the sensitive keys.
9. On December 19, 2007, twelve keys were obtained for the drop and count process. At the completion of the process, the Count Room Manager returned the keys to the Keywatch box at 9:45. An alarm sounded at 16:45 and a key was discovered missing from the box. Only 11 of the 12 keys had been returned to the Keywatch box. The key was found in the Soft Count Room at 17:10. The Count Room Manager received a suspension and final warning regarding this incident.

COUNT III

10. 68 IAC 6-3-4 (b) states that the internal controls must, at a minimum, address the following:

(3) Must: (A) refuse wagers from; and (B) deny gaming privileges to: any individual who the casino knows to be a voluntarily excluded person.

11. On November 30, 2007, it was discovered during a daily transaction audit that a VEP had played at a Blackjack table and redeemed chips at the cage. Upon further investigation, it was discovered that the guest played as a refusal, meaning she did not give her name. The guest was able to redeem \$2,400.00 in chips at the cage. The guest approached the cage a second time, provided identification and redeemed \$3,775.00 in chips. Her total redemption for the day was \$6,175.00 which placed her on the Multiple Transaction Log (MTL). The Cage Supervisor had entered both transactions into the electronic Title 31 monitoring system and obtained a surveillance photo. It was the audit of this data that recognized the patron as a VEP; however, they should have recognized the guest as a VEP when she showed her identification during her second time at the cage.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Blue Chip by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and Blue Chip's approved internal control procedures. The Commission and Blue Chip hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Blue Chip. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.


Blue Chip shall pay to the Commission a settlement of \$22,275 (\$10,000 for Count I; \$6,000 for Count II; and \$6,275 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$22,275 and shall waive all rights to further administrative or judicial review.

This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

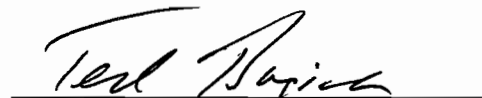
This Settlement Agreement shall be binding upon the Commission and Blue Chip.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

5.27.08
Date



Theodore A. Bogich, Gen. Mgr
Blue Chip Casino, LLC

5/13/08
Date